

**ANNEX XXXVIII - Instructions for disclosure of ESG risks**

**Table 1 – Qualitative information on Environmental risk:** Free format text boxes for disclosure of qualitative information in Annex XXXVII

1. Institutions shall apply the instructions below to complete Table 1 – Qualitative information on Environmental risk as presented in Annex XXXVII to this Implementing Regulation, in order to describe the integration of environmental risks in their business strategy and processes, governance and risk management, in application of Article 449a in conjunction with Article 435 of Regulation (EU) 575/2013<sup>1</sup> (“CRR”).
2. Throughout the instructions, environmental factors, environmental risks and transmission channels shall be understood in the sense set out in the definitions contained in the report referred to in Article 98(8) of Directive 2013/36/EU<sup>2</sup> (‘CRD’).

<b>Legal references and instructions</b>	
<b>Row number</b>	<b>Explanation</b>
	<b>Business strategy and processes</b>
1	In accordance with Article 449a in conjunction with points (a) and (e) of Article 435(1) CRR, an explanation of how the institution’s business environment, business model, strategy and processes, and financial planning integrate risks stemming from environmental factors (i.e. environmental risks) and how these evolve over time given changing technology, policy framework, business environment and consumer preferences.
2	In accordance with Article 449a in conjunction with points (a), (c), (d), (e) and (f) of Article 435(1) CRR, the objectives, targets and limits that the institution sets for the assessment and management of environmental risks, and how the process is for the setting of these objectives, targets and limits.  An explanation of the linkages of these objectives, targets and limits to the current international and European policy framework and benchmarks available such as: European Commission’s Guidelines on non-financial reporting - Supplement on reporting climate-related information; United Nations Environment Programme Finance Initiative (UNEP FI); the Global Reporting Initiative Sustainability Reporting Standards, the United Nations’ Principles for Responsible Investment (UNPRI).
3	In accordance with Article 449a, the evolution of the institution’s current and future (planned) investment activities in sustainable economy and EU

<sup>1</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ([OJ L 176, 27.6.2013, p. 1](#)).

<sup>2</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

	Taxonomy-aligned sectors/activities in accordance with the environmental objectives set out in Article 9 of Regulation (EU) 2020/852 <sup>3</sup> .
4	In accordance with Article 449a in conjunction with point (d) of Article 435(1) CRR, the measures institution takes measures to mitigate risks associated with environmental factors, including understanding the counterparty's capacity to manage environmental risks and entering into a dialogue with counterparties to mitigate environmental risks.
	<b>Governance</b>
5	In accordance with Article 449a in conjunction with point (b) of Article 435(1), points (a), (b), (c) of Article 435(2) CRR, the involvement of the institution's management body in the supervision and management of environmental risks, and the rationale for the institution's approach taking into account various transmission channels such as physical, transition and liability risks.
6	In accordance with Article 449a in conjunction with point (d) of Article 435(2) CRR, the ways in which the institution's management body integrates short-term, medium-term and long-term effects of environmental risks in organisational structure for the purposes of risk management and the ways in which this integration of environmental risks is reflected in business lines and internal control functions.
7	In accordance with Article 449a in conjunction with points (a), (b), (c) of Article 435(2) CRR, the institution's organisation of risk committees and the allocation of tasks and responsibilities in the risk management framework to monitor and manage environmental risks, taking into account physical, transition and liability transmission channels.
8	In accordance with Article 449a and in conjunction with points (e) of Article 435(2) CRR, the ways via which the institution includes environmental risks into internal reporting framework and structure, and the frequency of internal reporting and information exchange on environmental risks.
9	In accordance with Article 449a in conjunction with points (e) of Article 435(2) CRR, information on whether environmental risks are included in remuneration policy, and the criteria and metrics used to determine the impact on variable remuneration for the integration of environmental risk considerations.
	<b>Risk management</b>
10	The methodologies, definitions and standards the institution is using for the identification and management of environmental factors and risks, and the framework on which these standards, definitions and methodologies are based.

<sup>3</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

	<p>An explanation of the linkages of methodologies, definitions and standards to the current international and European policy framework and benchmarks available, such as: European Commission’s Guidelines on non-financial reporting – Supplement on reporting climate-related information; United Nations Environment Programme Finance Initiative (UNEP FI); the Global Reporting Initiative Sustainability Reporting Standards, the United Nations’ Principles for Responsible Investment (UNPRI), Sustainability Accounting Standards Board standards and Carbon Disclosure Projects.</p>
11	<p>The process by which the institution identifies and monitors its activities and exposures which are sensitive and vulnerable to environmental risks (e.g. via their counterparties, investment or asset management activities) including any movable and immovable assets associated with these activities and exposures.</p> <p>The process by which the institution identifies and monitors environmental risks that are financially material or currently non-material with a prospect to become material in the future.</p> <p>Activities, exposures and assets which are sensitive and vulnerable to environmental risks shall include those taking place, for example, in agriculture, fisheries, forestry, energy in combination with their geographical location, reliance on water or other environmental factors and risks, which may be vulnerable to factors such as flood, draught, fires, loss of biodiversity. They shall also include concentration of the counterparty’s operations in endangered zones, and they shall be deemed to cover the entire value chain of the counterparty.</p> <p>The disclosure of the above shall indicate the financial materiality (including double materiality) as defined in the report in accordance with Article 98(8) of CRD and it shall cover the life cycle of exposures including for example, loan origination together with creditworthiness assessment of the counterparty and monitoring.</p> <p>The extent to which such assessment covers relevant transmission channels including (i) physical transmission channels that can be acute physical effects or chronic physical effects, (ii) transition transmission channels such as change in policy, technological change or consumers’ behavioural change, (iii) liability transmission channel.</p> <p>If the institutions identifies no environmental risks as material, it shall provide justification and present the underlying methodology used to arrive at for this conclusion.</p>
12	<p>The activities, commitments and exposures of the institution has in place in order to mitigate environmental risks.</p> <p>The methodology the institution uses to identify risk mitigating measures and activities, and to what extent these activities, commitments and exposures account for relevant transmission channels, including (i) physical transmission channels that can be acute physical effects or chronic physical effects, (ii) transition transmission channels such as change in policy, technological change or consumers’ behavioural change, (iii) liability transmission channel.</p>

13	<p>The implementation tools the institution uses for identification and management of environmental risks such as stress test, sensitivity analysis or other forward-looking indicators, applied at exposure-level, portfolio-level, counterparty-level or sectoral-level, depending on the materiality of the risk.</p> <p>This shall include indications of all assumptions and methodologies for any of the implementation tools used. The institution shall also indicate the time horizon used for the assessment of the environmental risk on the accounting and prudential metrics, e.g. short-term, medium-term or long-term time horizon.</p>
14	<p>The description of the outcome of the assessment from the risk tool used in accordance with point 13.</p> <p>The estimated impact of environmental risk, e.g. climate change risk, on the institution's solvency, regulatory capital requirements and liquidity risk profile in the framework of ICAAP and ILAAP.</p> <p>For example, disclosure of the assessment of a portfolio with regard to different climate change scenarios and of the outcome of the scenario analyses with a linkage between the transition risk and its effect on financial and prudential metrics, such as the impact on accounting provisions or Tier 1 capital ratio.</p>
15	<p>The data and information are available to the institutions in order to carry out the risk management of environmental risks, the key data and information are currently missing and measures the institution is taking in order to close data gaps and to improve data quality and accuracy.</p>
16	<p>The limits the institution sets on financing projects or counterparties, which significantly harm environmental objectives (e.g. as per Article 9 of Regulation (EU) 2020/852) in line with the institution's business strategy.</p> <p>These limits shall include limits set by institutions at the point of origination and monitoring in order to avoid or mitigate environmental risks and limits that indicate when a specific exposure would trigger corrective actions, further investigation, internal escalation, and/or exclusion from portfolio.</p>
17	<p>The ways the institution maps and links the manifestation of environmental risks on its balance sheet through credit risk, liquidity risk, market risk and operational risk.</p> <p>The ways in which the institution assesses and manages the impact of transition to a low-carbon and climate-resilient economy to the prudential risks categories including credit risk, liquidity risk, market risk and operational risk.</p>

**Table 2 – Qualitative information on Social risk:** Free format text boxes for disclosure of qualitative information in Annex XXXVII

- Institutions shall apply the instructions provided below to complete Table 2 – Qualitative Information on Social risk presented in Annex XXXVII to this Implementing Regulation, in order to describe the integration of social risks in their

business strategy and processes, governance and risk management, in application of Article 449a in conjunction with Article 435 of CRR.

4. Throughout the instructions, social factors, social risks and transmission channels shall be understood in the sense set out in the definitions contained in the report referred to in Article 98(8) of CRD.

<b>Legal references and instructions</b>	
<b>Row number</b>	<b>Explanation</b>
	<b>Business strategy and processes</b>
1	In accordance with Article 449a in conjunction with points (a) and (e) of Article 435(1) CRR, how the institution's business environment, business model, strategy and processes, financial planning integrate risks stemming from social factors (i.e. social risks) and how these evolve over time given changing technology, policy framework, business environment and consumer preferences.
2	In accordance with Article 449a in conjunction with points (a), (c), (d), (e) and (f) of Article 435(1) CRR, whether the institution sets objectives, targets and limits the institution sets for the assessment and management of social risks, and how the process is for the setting of these objectives, targets and limits.  An explanation of the linkages of these objectives, targets and limits to the current international and European policy framework and benchmarks available such as: ILO Conventions and Recommendations; OECD Guidelines for Multinational Enterprises; and UN Guiding Principles on Business and Human Rights.
3	In accordance with Article 449a in conjunction with point (d) of Article 435(1) CRR, how the institution takes measures to mitigate risks associated with social factors, including understanding the counterparty's capacity to manage social risks and entering into a dialogue with them to mitigate social risks.
	<b>Governance</b>
4	In accordance with Article 449a in conjunction with point (b) of Article 435(1), points (a), (b), (c) of Article 435(2) of CRR, how the institution's management body is involved in the supervision and management of social risks, and what is the rationale for this approach taking into account a number of social factors including activities towards the community and society, employee relationships and labour standards, customer protection and product responsibility, human rights.
5	In accordance with Article 449a in conjunction with points (a), (b), (c) of Article 435(2) of the CRR, how the institution organises risk committees, allocates tasks and responsibilities in the risk management framework to monitor and manage social risks.
6	In accordance with Article 449a in conjunction with points (e) of Article 435(2) CRR, how the institution includes social risks into internal reporting

	framework and structure, and what is the frequency of internal reporting and information exchange on social risks.
7	In accordance with Article 449a in conjunction with points (e) of Article 435(2) CRR, information on whether social risks are included in remuneration policy, and the criteria and metrics used to determine the impact on variable remuneration for the integration of social risk considerations.
	<b>Risk management</b>
8	<p>What methodologies, definitions and standards the institution is using for the identification and management of social factors and risks, and the framework on which these standards, definitions and methodologies are based.</p> <p>An explanation of the linkages of these methodologies, definitions and standards to the current international and European policy framework and benchmarks available such as: ILO Conventions and Recommendations; OECD Guidelines for Multinational Enterprises; and UN Guiding Principles on Business and Human Rights.</p>
9	<p>The process by which the institution identifies and monitors its activities and exposures sensitive and vulnerable to social risks (e.g. via their counterparties, investment or asset management activities) including any movable and immovable assets associated with these activities and exposures.</p> <p>The process by which the institution identifies and monitors social risks that are financially material or currently non-material with a prospect to be material in the future.</p> <p>Such activities, exposures and assets sensitive and vulnerable to social risks may be related to counterparties breaching labour law, human rights that may face legal dispute.</p>
10	The activities, commitments and assets the institution has to mitigate social risks.
11	<p>The implementation tools the institution uses for identification and management of social risks such as scenario analysis, applied at exposure-level, portfolio-level, counterparty-level or sectoral-level and cover covering factors such as migration, demographic trends, change in labour force, technological change.</p> <p>Assumptions and methodologies of such scenario analyses shall be indicated. The institution shall indicate the time horizon used for the assessment of the social risk on the accounting and prudential metrics, e.g. short-term, medium-term or long-term time horizon.</p>
12	<p>The description of the outcome of the assessment from the risk tool used.</p> <p>The estimated impact of social risk on the institution's solvency, regulatory capital requirements and liquidity risk profile in the framework of ICAAP and ILAAP.</p>

13	<p>The ways the institution maps and links the manifestation of social risks on their balance sheet through credit risk, liquidity risk, market risk and operational risk.</p> <p>The ways in which the institution assesses and manages the impact of relevant socially harmful events to the prudential risks categories including credit risk, liquidity risk, market risk and operational risk.</p>
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**Table 3 – Qualitative information on Governance risk:** Free format text boxes for disclosure of qualitative information in Annex XXXVII

5. Institutions shall apply the instructions provided below to complete Table 3 – Qualitative information on Governance risk presented in Annex XXXVII to this Implementing Regulation in order to describe the integration of governance risks in their governance and risk management, in application of Article 449a in conjunction with Article 435 of CRR.

<b>Legal references and instructions</b>	
<b>Row number</b>	<b>Explanation</b>
	<b>Governance</b>
1	<p>The ways in which the institution integrates governance performance of the counterparty in its governance arrangements.</p> <p>The considerations on the governance performance of the counterparty shall cover the necessary steps and phases in the decision-making, supervision and management processes of the counterparty at all levels. This shall include committees of the highest governance body and committees responsible for decision-making on economic, environmental, and social topics.</p> <p>An explanation of these economic, environmental and social topics to the indicators presented in available international and European frameworks such as: OECD Guidelines for Multinational Enterprises; and UN Guiding Principles on Business and Human Rights, Charter of Fundamental Rights of the EU; United Nations Convention against Corruption.</p>
2	<p>The ways via which the institution takes into account for the role of the counterparty's highest governance body in non-financial reporting, e.g., the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material topics are covered.</p> <p>An explanation of these material topics (including economic, environmental and social areas) to the indicators presented in available international and European frameworks such as: OECD Guidelines for Multinational Enterprises; and UN Guiding Principles on Business and Human Rights, Charter of Fundamental Rights of the EU; United Nations Convention against Corruption.</p>
3	<p>The ways via which the institution integrates the governance performance of their counterparties in its governance arrangements.</p>

	<p>The considerations related to the governance performance of the institution's counterparties shall cover all of the following:</p> <ul style="list-style-type: none"> <li>a) ethical considerations; e.g., integrity of conduct, values and ethics, anti-bribery and anti-corruption measures, accountability and rule of law;</li> <li>b) strategy and risk management; e.g., strategy implementation, operational execution and monitoring, internal controls and risk management policies and procedures;</li> <li>c) inclusiveness; e.g., gender gap and representation of people from minority groups in the management, income gap; and</li> <li>d) transparency; e.g. disclosures on discrimination, and rules and practices.</li> </ul>
4	<p>The ways in which the institution identifies and monitors significant conflict of interest in the operations of the counterparty and the way the counterparty handles such cases, e.g., processes for the highest governance body to ensure that any conflict of interest is avoided, managed and mitigated.</p>
5	<p>The ways in which the institution accounts for the counterparty's internal communication on critical concerns, e.g., how internal process of the counterparty operates for communicating critical concerns to the highest governance body.</p>
<b>Risk management</b>	
6	<p>The ways in which the institution integrates in its risk management arrangements the governance performance of their counterparties considering:</p> <ul style="list-style-type: none"> <li>a) ethical considerations; e.g., integrity of conduct, values and ethics, anti-bribery and anti-corruption measures, accountability and rule of law;</li> <li>b) strategy and risk management; e.g., strategy implementation, operational execution and monitoring, internal controls and risk management policies and procedures;</li> <li>c) inclusiveness; e.g., gender gap and representation of people from minority groups in the management, income gap; and</li> <li>d) transparency; e.g. disclosures on discrimination, and rules and practices.</li> </ul>

**Template 1 - Banking book - Climate change transition risk:** Quality of exposures by sector. Fixed format.

**Explanatory text for consultation purposes**

Following Article 449a CRR, large institutions with securities traded in an EU regulated market shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU.

The EBA published on 3 November 2020 the discussion paper on management and supervision of ESG risks for credit institutions and investment firms (EBA discussion



paper), with the objective to collect comments and feedback from stakeholders with a view to further informing the EBA's report under Article 98(8) CRD.

According to the discussion paper, transition transmission channels/transition risks are the risks posed by the exposure of institutions to counterparties that may potentially be negatively affected by the transition to a low carbon, climate-resilient or environmentally sustainable economy, including:

- a. climate and environment related policy changes, for example as a result of energy efficiency requirements, carbon-pricing mechanisms that increase the price of fossil fuels, or policies to encourage sustainable use of environmental resources;
- b. technological changes, for example if a technology with a less damaging impact on the climate or the environment replaces a technology that is more damaging, hence making it obsolete;
- c. behavioural changes, for example if the choices of consumers and investors shift towards products and services that are more sustainable; or if difficulties to attract and retain customers, employees, business partners and investors arise when a counterparty has reputation for damaging the climate and the environment.

6. Institutions shall apply the instructions below to complete template 1 as presented in Annex XXXVII to this Implementing Regulation in order to provide information on those assets which are more exposed to the risks that institutions may face from the transition to a low-carbon and climate resilient economy in application of Article 449a CRR:

- a. They shall disclose information on their exposures towards non-financial corporates that operate in carbon related sectors, and on the quality of those exposures, including forward-looking information based on average PD and on stage 2 instruments, and backward information on non-performing exposures and related provisions;
- b. they shall start disclosing information on their carbon footprint and scope 3 emissions, if already available, including qualitative information in the narrative accompanying this template on the methodology and sources used. Where institutions are not yet estimating their scope 3 emissions, they shall disclose information on their plans to implement methodologies to estimate and disclose this information.

**Text on transitional arrangements information on scope 3 emissions (for consultation purposes)**

While acknowledging the relevance of information on scope 3 emissions, disclosure that is proposed in the Commission's non-binding 'Guidelines on reporting climate-related information'<sup>4</sup> and in the Task Force on climate-related financial disclosures (TCFD) recommendations<sup>5</sup>, the EBA also acknowledges the challenges for institutions to estimate them. Hence, a transitional period until June 2024 is proposed for the disclosure of this information, and specific feedback is asked on the relevance and adequateness of this transitional arrangements:

"All institutions shall start disclosing information in columns y and z of the template by June 2024."

<sup>4</sup> [https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines\\_en.pdf](https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf)

<sup>5</sup> <https://assets.bbhub.io/company/sites/60/2020/10/FINAL-TCFD-Annex-Amended-121517.pdf>

7. Institutions shall include in the narrative accompanying the template, explanations on the information disclosed and on the changes compared to previous disclosure periods, and any implications that these exposures may have in terms of operational, reputational and liquidity risk for the reporting institutions. They shall also provide explanations on forward looking information, risk limits and targets relevant for this template.
8. Institutions shall include in the rows of the template the breakdown of the gross carrying amount of loans and advances, debt securities and equity instruments to non-financial corporations, other than those held for trading, by sector of economic activities using NACE Codes based on the principal activity of the counterparty. They will also include subtotals that aggregate the gross carrying amount of exposures towards sectors and subsectors that highly contribute to climate change as specified in Recital 6 of the Commission Delegated Regulation (EU) 2020/1818<sup>6</sup> ; And a subtotal of exposures towards other sectors.
9. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done based on the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of granularity required in the rows of the template.

Columns	Instructions
a	<p><b><u>Total gross carrying amount</u></b></p> <p>The gross carrying amount, as defined in Part 1 of Annex V to Commission Implementing Regulation (EU) 680/2014<sup>7</sup>, of those exposures towards non-financial corporates, including loans and advances, debt securities and equity instruments, classified in the accounting portfolios in the banking book according to that Regulation, excluding financial assets held for trading or held for sale assets.</p>
b to n	<p><b><u>Of which: performing exposures</u></b></p> <p>The part of the total gross carrying amount that is classified as performing.</p>
e, r, u, x	<p><b><u>Non-performing - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions</u></b></p> <p>Non-performing exposures as defined in Article 47a(3) CRR.</p> <p>This shall include the amounts defined in paragraphs 11, 69 to 71, 106 and 110 of Part 2 of Annex V to Commission Implementing Regulation (EU) 680/2014.</p>

<sup>6</sup> Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

<sup>7</sup> Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 191, 28.6.2014, p. 1).

o to v	<p><b><u>Of which non-performing exposures</u></b></p> <p>Non-performing exposures as defined in Article 47a(3) CRR.</p>
f to h and p to r	<p><b><u>Of which exposures towards companies excluded from EU Paris-aligned Benchmarks</u></b></p> <p>The gross carrying amount of those exposures towards counterparties that are excluded from the EU Paris-aligned Benchmarks as specified in Article 12.1, points (d) to (g) and Article 12.2 of Commission Delegated Regulation (EU) 2020/1818<sup>8</sup>.</p> <p>Columns f to h shall include the part of the gross carrying amount that is classified as performing, and columns p to r shall include the part of the gross carrying amount classified as non-performing in accordance with Article 47a(3) CRR.</p>
i to k and s to u	<p><b><u>of which exposures towards other carbon-intensive sectors</u></b></p> <p>The gross carrying amount of exposures not included in columns e to g and p to r, towards energy and mining sectors, and to transportation, construction, buildings, materials and industrial sectors, as specified in point (a) and (b) of Article 5 of Commission Delegated Regulation (EU) 2020/1818<sup>9</sup>. Institutions shall also include the gross carrying amount of exposures towards other sectors that are more intensive in terms of GHG emissions, according to information based on the EU Emissions Trading System, from Eurostat information on GHG emissions or other sources of information and quantitative databases on sector-aggregate emissions. Information on volumes of GHG emissions provided by Eurostat by NACE sector and EU member state can be combined with Eurostat information on e.g. GDP by NACE sector and EU member state, in order to obtain comparable information on GHG emissions in relative terms.</p> <p>In the narrative accompanying this template, institutions shall provide detailed information on the composition of exposures included in this column, on the sources of information used and on the methodology applied to identify these exposures.</p> <p>Columns h to j shall include the part of the gross carrying amount that is classified as performing, and columns s to u shall include the part of the gross carrying amount classified as non-performing as defined Article 47a(3) CRR.</p>
l, m, n and v, w x	<p><b><u>Of which environmentally sustainable (CCM)</u></b></p> <p>Exposures that qualify as environmentally sustainable because they are financing activities that contribute or enable the environmental objective of climate change mitigation in accordance with Articles 10 and 16 of the Regulation (EU) 2020/852, as disclosed in template 8 of Annex XXXVII</p>

<sup>8</sup> Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

<sup>9</sup> Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

c, g, j, m and q, t, w	<p><b><u>OF which stage 2</u></b></p> <p>For institutions applying IFRS, they shall disclose the gross carrying amount of ‘Stage 2’ instruments as defined in IFRS 9.</p> <p>Columns c, g, j, m shall include the part of the gross carrying of those stage 2 exposures that are performing, and columns q, t, u shall include the gross carrying amount of those stage 2 exposures classified as non-performing as defined in Article 47a(3) CRR.</p> <p>The columns on ‘Of which stage 2’ shall not be disclosed by institutions that apply national generally accepted accounting principles based on Council Directive 86/635/EEC<sup>10</sup></p>
d, h, k, n	<p><b><u>Average weighted PD</u></b></p> <p>The average weighted probability of default (PD) based on the PDs estimated for the calculation of the expected losses under the relevant accounting framework, where PDs are weighted by the gross carrying amount of the related financial instrument.</p>
Y and z	<p><b><u>GHG emissions</u></b></p> <p>Where the information is available, the estimates of the scope 3 GHG emissions of an institution shall be disclosed in CO2 tonnes (TCO2) in column y. The disclosure shall cover all sectors and subsectors that highly contribute to climate change as specified in recital 6 of the Commission Delegated Regulation (EU) 2020/1818.</p> <p>The estimation of scope 3 emissions shall rely on information on emissions from an institution’s counterparties and on information on sector-average emissions intensity. Examples of methodologies to compute the carbon emission of companies include the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the Partnership for Carbon Accounting Financials, and the methodology of the Carbon Disclosure Project<sup>11</sup>.</p> <p>The estimation of scope 3 emissions per sector shall be done in a proportionate way: e.g. by taking the institution’s exposures (lending and equity) towards the counterparty compared to the total liabilities (lending and equity) of the counterparty.</p> <p>In the narrative accompanying the template institutions shall provide detailed explanations of the data sources used and of the methodology that they have applied for the estimation of their scope 3 GHG emissions. Institutions shall indicate in column x the percentage of the portfolio for which they have been able to estimate their scope 3 emissions based on information disclosed by their counterparties.</p> <p>Where institutions are not yet estimating their scope 3 emissions they shall leave columns y and z blank and, in the narrative accompanying the template, they</p>

<sup>10</sup> Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

<sup>11</sup> <https://carbonaccountingfinancials.com/standard>

	shall disclose their plans to implement methodologies to estimate and disclose this information.
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**Template 2 - Climate Change Transition risk:** Banking book: Exposures towards NACE sectors A to H and L - Maturity buckets. Fixed format.

**Explanatory text for consultation purposes**

Climate change related risks are risks that may materialise in the long term. In the case of transition risk, for example, they may materialise as the deadlines to meet environmental targets included in the Paris Agreement and in the European Green deal are approaching. It is relevant for users of Pillar 3 information to understand the maturity ladder of institutions' portfolios and in particular to have information on those exposures with longer maturities.

Template 2 provides an overview of institutions' banking book exposures towards relevant sectors by maturity bucket, considering buckets at and beyond 5 years.

10. Institutions shall apply the instructions below to complete '**Template 2 - Banking book: Exposures towards NACE sectors A to H and L - Maturity buckets**', as presented in Annex XXXVII to this Implementing Regulation. Institutions shall include information on exposures towards sectors and subsectors that highly contribute to climate change, according to Recital 6 of the Commission Delegated Regulation (EU) 2020/1818 (NACE sectors A to H and L), broken down by NACE sector and by maturity bucket. In Particular, the gross carrying amount as defined in Part 1 of Annex V to Commission Implementing Regulation (EU) 680/2014, of those exposures towards non-financial corporates, including loans and advances, debt securities and equity instruments, classified under the accounting portfolios in the banking book according to that regulation, excluding financial assets held for trading and held for sale assets.
11. Institutions shall allocate the exposures to the relevant bucket depending on the maturity of the financial instrument, taking into account the following:
  - c. Where the amount is repaid in installments, the exposure shall be allocated in the maturity bucket corresponding to the last instalment;
  - d. Where an exposure has no stated maturity for reasons other than the counterparty having the choice of the repayment date, the amount of this exposure shall be disclosed in column 'no stated maturity';
  - e. for the computation of the average maturity of the exposures, institutions shall weigh the maturity of each exposure by the gross carrying amount of the exposures.

**Template 3: Climate Change Transition risk:** Loans collateralised by immovable property - Energy efficiency of the collateral. Fixed format.**Explanatory text for consultation purposes**

Information on climate-change transition risk faced by loans collateralized with commercial and residential real estate properties, and on collaterals repossessed, shall be based on the distribution of the exposures by Energy Performance Certificate (EPC label) of the collateral.

12. Energy Performance of Buildings Directive 2010/31/EU<sup>12</sup> (EPBD) and the Energy Efficiency Directive 2012/27/EU<sup>13</sup> promote policies that aim to achieve a highly energy efficient and decarbonised building stock by 2050. The EPBD introduced the Energy performance certificates (EPC) as instruments for improving the energy performance of buildings. They are defined as a certificate recognised by a Member State or by a legal person designated by it, which indicates the energy performance of a building or building unit, calculated according to a methodology adopted in accordance with the EPBD.
13. This template will show in columns b to h the gross carrying amount, as defined in Part 1 of Annex V of Commission Implementing Regulation (EU) 680/2014, of loans collateralised with immovable property and of repossessed real estate collaterals by EPC label of the collateral. When disclosing the EPC distribution of the collaterals, institutions shall disclose separately those exposures for which they do not have the EPC information of the collateral. Institutions shall disclose the total gross carrying amounts by EPC label, and with a breakdown by country of location of the collateral, differentiating between loans collateralised by commercial immovable property, loans collateralised by residential immovable property and collateral obtained by taking possession. Institutions shall provide information on the meaning of each EPC label (energy performance) in each country, in order to foster comparability of disclosures.
14. Institutions shall disclose the average performance of their portfolios by taking the performance related to each label in each country and weighting it by the gross carrying amount of the loans or of the repossessed collaterals under each label.
15. Those institutions that are already estimating information on the carbon footprint and scope 3 emissions of their collaterals, shall disclose this information in column K, and shall explain in the narrative accompanying the template the methodology and sources of data used. Those institutions that are not yet estimating their scope 3 emissions shall disclose information on their plans to implement methodologies to estimate and disclose this information. Examples of methodologies that institutions may apply for this purpose include the conversion of the energy performance of the collaterals into CO<sub>2</sub> emissions, and then consider the loan to value of the loan (for collateralised loans) or the value of the collateral (for repossessed collaterals) to weigh the emissions and calculate the total emissions of the portfolio.

**Text on transitional arrangements information on scope 3 emissions (for consultation purposes)**

While acknowledging the relevance of information on scope 3 emissions, disclosure that is proposed in the Commission's non-binding 'Guidelines on reporting climate-related information'<sup>14</sup> and in the Task Force on climate-related financial disclosures (TCFD) recommendations<sup>15</sup>, the EBA also acknowledges the challenges for institutions to estimate them. Hence, a transitional period until June 2024 is proposed for the disclosure of this

<sup>12</sup> Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

<sup>13</sup> Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

<sup>14</sup> [https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines\\_en.pdf](https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf)

<sup>15</sup> <https://assets.bbhub.io/company/sites/60/2020/10/FINAL-TCFD-Annex-Amended-121517.pdf>

information, and specific feedback is asked on the relevance and adequateness of this transitional arrangements:

“All institutions shall start disclosing information in columns k of template 3 by June 2024.”

**Template 4:** Alignment metrics for the banking book. Fixed format.

16. The purpose of this template is to show information on institutions’ scope 3 emissions in relative terms, depending on the sector of the counterparty. Those institutions that are already estimating information on their carbon footprint and scope 3 emissions, shall disclose the information in this template, and shall explain in the narrative accompanying the template the methodology and sources of data used. Those institutions that are not yet estimating their scope 3 emissions shall disclose information on their plans to implement methodologies to estimate and disclose this information. Institutions shall disclose in this template:

- a. The fair value of the exposures towards each of the sectors listed in the template, including loans and advances, debt securities and equity instruments (column (a)):
- b. The relative CO2 emissions of the exposures by sector expressed in terms of the alignment metric relevant for each sector according to the template;
- c. And the distance to International Energy Agency (IEA) Sustainable Development Scenario 2 degrees (point in time) expressed in percentage points<sup>16</sup>.

**Text on transitional arrangements information on scope 3 emissions (for consultation purposes)**

While acknowledging the relevance of information on scope 3 emissions, disclosure that is proposed in the Commission’s non-binding ‘Guidelines on reporting climate-related information’<sup>17</sup> and in the Task Force on climate-related financial disclosures (TCFD) recommendations<sup>18</sup>, the EBA also acknowledges the challenges for institutions to estimate them. Hence, a transitional period until June 2024 is proposed for the disclosure of this information, and specific feedback is asked on the relevance and adequateness of this transitional arrangements:

“All institutions shall start disclosing information in template 4 by June 2024.”

**Template 5 - Climate Change Transition risk:** Exposures in the banking book to top carbon-intensive firms.

**Explanatory text for consultation purposes**

Template 5 - Single-names exposures in the banking book to carbon-intensive firms is part of the assessment of the transition risk faced by an institution through the disclosure of its exposures towards the most carbon-intensive companies. It is complementary to the sectoral approach and provides a higher degree of data granularity. It includes borrower-specific

<sup>16</sup> <https://www.iea.org/reports/world-energy-model/sustainable-development-scenario>

<sup>17</sup> [https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines\\_en.pdf](https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf)

<sup>18</sup> <https://assets.bbhub.io/company/sites/60/2020/10/FINAL-TCFD-Annex-Amended-121517.pdf>

information on carbon intensity and it will provide some insight on carbon-intensive individual exposures.

17. Institutions shall include information on exposures towards the most carbon intensive counterparties in the world, in the EU and in their home country. They shall include individual information on up to 20 counterparties that are among the top 20 most carbon-intensive in the world, in the EU or in the home country (member state) of the institution, according to publicly available information. Examples of data sources to identify the top carbon-emitting companies include ‘Carbon Majors Database of the Carbon Disclosure Project’ or Thomson Reuters.
18. In the narrative accompanying the template institutions shall explain the data sources used to identify the companies included in the template. Where institutions are omitting partially or totally, they shall indicate so in their Pillar 3 reports, and explain the reasons for that omission, including if they do not have any exposures towards the top 20 world, EU or member state emitters, or possible confidentiality reasons in accordance with Article 432(2) CRR.

	Column	Instructions
a	Top 20 carbon emitting companies over the disclosure period	The name of the company and whether it is one of the top 20 emitters at world, and/or EU, and/or member state level.
b	LEI of the company	Legal Entity Identifier of the company as defined by the ISO standard 17442.
c	Gross carrying amount	Gross carrying amount of the exposures in the banking book (loans and advances, debt securities and equity instruments in the banking book, excluding instruments in the held-for-trading, trading and held-for-sale portfolios).
d	Gross carrying amount towards the company compared to total gross carrying amount	The percentage resulting from the gross carrying amount indicated in column c divided by the total gross carrying amount of the institutions’ exposures in the banking book (loans and advances, debt securities and equity instruments in the banking book, excluding instruments in the held-for-trading, trading and held-for-sale portfolios).
e	Of which environmentally sustainable (CCM)	The gross carrying amount of environmentally sustainable exposures (contributing to the objective of climate change mitigation). This shall be based on the purpose of the activity funded, for special purpose lending, or on the counterparty’s information on the level of alignment of its economic activities with Regulation (EU) 2020/852, for the objective of climate change mitigation (% of turnover contributing substantially to climate change mitigation).
f	Top 20 polluting firms in the	The institution shall indicate for each company whether the company is among the top 20 emitting companies in the world and/or in the EU and/or in the member state



	world/EU/member state	
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**Alternative presentation of the template for consultation**

In response to this consultation, the EBA requests specific feedback on possible alternative formats for the presentation of the information required in template 5. In particular, the EBA seeks feedback on whether aggregate information on exposures towards the top 20 polluting companies in the world, at EU level or at member state level, instead of company-by-company information, would be sufficient to understand how climate-change transition risk may exacerbate the exposition of institutions to credit risk. Feedback is also sought on the specific information that a template on aggregate exposures should include in order to be meaningful, and what type of “buckets” of exposures could be defined (e.g. exposures towards top 5 polluting firms, next top 5 and so on, or other alternative presentations).

**Template 6 - Climate change transition risk - Trading book portfolio. Fixed template**

**Explanatory text for consultation purposes**

The purpose of this template is to show the composition of the trading portfolio of the institution towards non-financial corporates by sector of economic activity and in particular to those sectors more relevant from the point of view of climate-change transition risk, which may heightened the market risk of these portfolios. Institutions shall disclose information on their financial instruments held-for-trading, including debt securities and equity instruments, towards non-financial corporates, by sector of the counterparty.

19. Institutions shall disclose all of the following:

- a. the gross carrying amount of the exposures as of the disclosure reference date, by counterparty NACE sector. The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done based on the characteristics of the obligor that is the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor;
- b. information on exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (b) to (g) of Article 12.1, and with Article 12.2 of Climate Benchmark Standards Regulation;
- c. other exposures not included in column b towards other carbon-intensive sectors, as defined in template 1;
- d. gains and losses generated during the disclosure period per NACE sector;
- e. the absolute amount of purchases plus sales of trading instruments during the period, broken-down by NACE sector, and including information on the amount linked to taxonomy aligned instruments, based on the level of alignment of the counterparty’s turnover with the taxonomy.

**Template 7 - Climate Change Physical risk:** Exposures in the banking book subject to climate change physical risk. Fixed format.

**Explanatory text for consultation purposes**

This Template provides information on exposures in the banking book (including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale),

towards non-financial corporates, on loans collateralized with immovable property and on repossessed real estate collaterals, exposed to chronic and acute climate-related hazards. It relies on the classification included in the Annex to the Commission's Delegated Act to the Regulation (EU) 2020/852 determining the screening criteria for the objective of climate change adaptation<sup>19</sup>.

The template includes information by sector of economic activity (NACE classification) and by geography of location of the activity of the counterparty or of the collateral, for those geographical areas subject to climate change acute and chronic events.

For the identification of geographies prone to specific climate-related hazards, institutions shall use dedicated portals and databases. Examples of data sources to identify geographical areas subject to climate change related hazards include<sup>20</sup>: GFDRR - ThinkHazard! (covering heatwaves, water scarcity and stress, floods, wildfires, hurricanes, landslide); PREP – PREPdata (coastal flood, extreme heat, landslide, water scarcity and stress, wildfire); WRI - Aqueduct Water Risk Atlas (flood, coastal flood, water scarcity and stress) Swiss Re - CatNet® (flood, tropical cyclone (hurricane & typhoon), wildfire); World Bank - Climate Change Knowledge Portal (extreme heat, extreme precipitation, drought); PCA - Global Drought Risk platform (drought); NOAA - Historical hurricane tracks (tropical cyclone (hurricane & typhoon)).

In order to obtain knowledge about characteristics of locations prone to climate change events, institutions may also use the data offered by EU bodies and by national government authorities (e.g. meteorological, environmental, statistical agencies or geoscience organisations). These local agencies can provide country-specific information with high granularity and quality. An example could be Deutscher Wetterdienst, which runs its own climate data center (CDC-portal)<sup>21</sup>.

The EBA acknowledges the challenges for institutions to collect and estimate the data included in this template. For this reason, the proposal includes two templates on climate change physical risk:

- A simplified template that institutions should disclose during a transitional period, and with a breakdown only between chronic and acute climate-change events, as define in the EBA report developed following Article 98 CRD, for the relevant geographies and NACE sectors.
- An extended template applicable after the transitional period that includes a more granular breakdown by type of climate-related hazards within climate-change acute and chronic events classification included in the Annex to the Commission's Delegated Act to the Regulation (EU) 2020/852 determining the screening criteria for the objective of climate change adaptation. Institutions that already have this information should start disclosing it without waiting to the end of the transitional period. Specific feedback is

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<sup>19</sup> [https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts\\_en](https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en)

<sup>20</sup> For more examples please refer to the UNEP FI and Acclimitise report: "Chartering New Climate. State-of-the-art tools and data for banks to assess credit risks and opportunities from physical climate change impacts", September 2020, <https://www.unepfi.org/publications/banking-publications/charting-a-new-climate/>

The report provides detailed information with regard to time periods covered, use of future scenarios, spatial resolution and coverage, format of outputs to be received from particular datasets as well as licensing and cost (please note that most portals and databases offer free-to-use access). Moreover, the report elaborates on different techniques of physical risk assessment and measurement, like e.g. heat mapping, correlation analysis, dedicated tools and analytics.

<sup>21</sup> <https://cdc.dwd.de/portal/>

requested in the consultation of this template and on the type of climate-change events to be considered.

- a transitional period until June 2024, and specific feedback is asked on the relevance and adequateness of this transitional arrangements. “All institutions shall start disclosing information in accordance with template 7.2 by June 2024.”

20. Institutions shall explain in the narrative accompanying the template the sources of information and methodologies that they have used and applied when providing this information.

**Template 7.1 - Exposures in the banking book subject to climate change physical risk (simplified version for phase in period)**

	Instructions
b to m	<p><b><u>Gross carrying amount</u></b></p> <p>The gross carrying amount as defined in Part 1 of Annex V to Commission Implementing Regulation (EU) 680/2014 of those exposures towards non-financial corporates (including loans and advances, debt securities and equity instruments), classified under the accounting portfolios in the banking book according to that Regulation, excluding financial assets held for trading and held for sale assets.</p>
c	<p><b><u>of which exposures prone to impact from climate change events</u></b></p> <p>The gross carrying amount of exposures prone to impact from climate change events.</p>
d	<p><b><u>of which exposures prone to impact from chronic climate change events</u></b></p> <p>Chronic (incremental, slow-onset) climate-related hazards as defined in the EBA Article 98 CRD report, including hazards relating to gradual changes in weather and climate and having a possible impact on economic output and productivity.</p>
e	<p><b><u>of which exposures prone to impact from acute climate change events</u></b></p> <p>Gross carrying amount of exposures prone to impact from acute climate change events.</p> <p>Acute (extreme) climate-relate hazards as defined in the EBA Article 98 CRD report, including hazards that may cause sudden damage to properties, disruption of supply chains, depreciation of assets as well as result in operational downtime and lost manufacturing for fixed assets.</p>
f, g, h	<p><b><u>Of which performing exposures</u></b></p> <p>The gross carrying amount of performing exposures prone to impact from climate change events.</p>
I, j, m	<p><b><u>Of which non-performing exposures</u></b></p> <p>The gross carrying amount of non-performing exposures as defined in Article 47a(3) CRR, which are prone to impact from climate change events.</p>

g, j, l	<p><b><u>Of which stage 2</u></b></p> <p>For institutions applying IFRS, the gross carrying amount of ‘Stage 2’ instruments as defined in IFRS 9.</p> <p>Columns c, f, u, l shall include the part of the gross carrying amount of those stage 2 exposures that are performing, and columns q, t, u shall include the gross carrying amount of those stage 2 exposures classified as non-performing in accordance with Article 47a(3) CRR.</p> <p>These columns on ‘Of which stage 2’ shall not be disclosed by institutions that apply national generally accepted accounting principles based on Council Directive 86/635/EEC.</p>
h	<p><b><u>Average weighted PD</u></b></p> <p>The average weighted probability of default (PD) based on the PDs estimated for the calculation of the expected losses under the relevant accounting framework, where PDs are weighted by the gross carrying amount of the related financial instrument.</p>
k, l, m	<p><b><u>Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions</u></b></p> <p>The amounts defined in paragraphs 11, 69 to 71, 106 and 110 of Part 2 of Annex V to Commission Implementing Regulation (EU) 680/2014.</p>

**Template 7.2 - Exposures in the banking book subject to climate change physical risk (extended version after phase in period)**

21. Institutions shall disclose the information included in template 7.1 and in addition, information on the gross carrying amount by type of chronic and acute climate-change events for the types of events required.

**Template 8 – Assets for the calculation of Green Asset Ratio (GAR)**

**Explanatory text for consultation purposes**

This template covers the input information for the calculation of the green asset ratio (GAR). It provides information on the extent to which institutions’ activities qualify as environmentally sustainable in accordance with Articles 3 and 9 of Regulation (EU) 2020/852<sup>22</sup>. This information is relevant to understand how the institutions are mitigating their climate change related risks, financing activities that contribute to the Taxonomy environmental objectives of climate change mitigation and adaptation. Information on other mitigating actions beyond those strictly aligned with the taxonomy criteria is provided in template 10.

22. Those institutions with subsidiaries outside the EU shall disclose this template for EU exposures, based on the place of residence of the counterparty and in case of loans

<sup>22</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13–43)

collateralised with immovable property and of repossessed collaterals based on the location of the collateral. In addition, they shall identify, at a minimum, lending and equity exposures to non-EU counterparties that pertain to sectors (NACE sectors 4 levels of detail) covered by the taxonomy and shall disclose, on a best effort basis and using proxies, information on the part of those exposures aligned with the taxonomy. They shall disclose this information separately and with appropriate caveats. These institutions may use the following proxies for the disclosure of information on non-EU exposures on a best-effort-basis:

- a. their own models and the classification of exposures according to them. In this case institutions shall explain the main features of the models applied;
- b. where available, counterparties' public disclosures based on international standards (e.g. TCFD); institutions shall in this case explain the type of information available and the standards applied;
- c. public data and proxies at aggregate sector level. In this regard, institutions may use any coefficients that the Commission or any independent body mandated by the Commission may estimate on the aggregate alignment with the taxonomy by sectors for non-EU jurisdiction.

23. Template includes information on gross carrying amount of institutions' loans and advances, debt securities and equity instruments on their banking book. In addition, it contains the breakdown of the information by type of counterparty, including financial corporations, non-financial corporations, households, local governments as well as teal estate lending towards households and SMEs.

24. The information included relates to climate change mitigation and climate change adaptation as per points (a) and (b) of Article 9 of Regulation (EU) 2020/852.

Columns	Instructions
a	<p><b><u>Gross carrying amount</u></b></p> <p>Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
b	<p><b><u>Of which: towards taxonomy relevant sectors</u></b></p> <p>Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p> <p>Institutions shall disclose the gross carrying amount of eligible exposures towards sectors (4 level NACE codes) relevant for the corresponding environmental objective according to the Taxonomy, as specified in the technical annex to the Commission Delegated Regulation<sup>23</sup> on technical screening criteria for determining the conditions under which an economic activity qualifies as environmentally sustainable.</p> <p>Institutions shall disclose exposures towards relevant sectors under the objective of climate change mitigation in accordance with point (a) of Article 9 and Article 10 of Regulation (EU) 2020/852.</p>

<sup>23</sup> Commission Delegated Regulation (EU) **XXX** supplementing Regulation (EU) 2020/852: [https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts\\_en](https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en)

c	<p><b><u>Of which: environmentally sustainable</u></b></p> <p>Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p> <p>Institutions shall disclose the gross carrying amount of eligible exposures that are environmentally sustainable, as specified in the technical annex to the Commission Delegated Regulation on technical screening criteria for determining the conditions under which an economic activity qualifies as environmentally sustainable.</p> <p>Institutions shall disclose environmentally sustainable exposures under the objective of climate change mitigation in accordance with point (a) of Article 9 and Article 10 of Regulation (EU) 2020/852.</p> <p>When the use of proceeds is known, (specialised lending, e.g. project finance loans, as defined in ANNEX V to Implementing Regulation (EU) No 680/2014), institutions shall disclose the extent to which the exposure is environmentally sustainable based on the extent and proportion to which the project funded contributes substantially to climate change mitigation, in accordance with Article 10, or is an enabling activity in accordance with Article 16, and meet the criteria specified in Article 3 of the same regulation.</p> <p>When the use of proceeds is unknown, institutions shall disclose the extent to which the exposure is environmentally sustainable by using the information from the counterparty, in accordance with Article 8 of Regulation (EU) 2020/852<sup>24</sup>, on the proportion of the turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 of Regulation (EU) 2020/852.</p> <p>When the counterparty is not subject to Article 8 of Regulation (EU) 2020/852, for the calculation of the percentage of taxonomy-aligned exposures, credit institutions shall, on a best effort basis, collect information from their counterparties bilaterally through the regular credit review and monitoring process. Only if the counterparty is not able to provide the relevant data, credit institutions shall make use of the coefficients proposed by independent authorities, e.g. the JRC, at sectoral level<sup>25</sup>, Member state level or aggregate level for EU sectors, in order to proxy for the objective of climate change mitigation. In this case, credit institutions shall estimate and disclose the information, and explain the proxies applied.</p> <p>Each exposure shall only be considered once and shall be allocated to only one environmental objective. Where the exposures are relevant for more than one environmental objective, the allocation shall be made to the most relevant objective.</p>
d	<p><b><u>Of which: specialised lending</u></b></p> <p>Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>

<sup>24</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13–43)

<sup>25</sup> [The EU Sustainability Taxonomy: a Financial Impact Assessment | EU Science Hub \(europa.eu\)](https://ec.europa.eu/euro-observatory/en/analysis/2021/01/the-eu-sustainability-taxonomy-a-financial-impact-assessment)

	<p>Specialised lending as defined in paragraph 89 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p> <p>This shall include special lending exposures, which are environmentally sustainable, under the objective of climate change mitigation in accordance with point (a) of Article 9 and Article 10 of Regulation (EU) 2020/852.</p> <p>When the use of proceeds is known, in the case of specialised lending, institutions shall disclose the extent to which the exposure is environmentally sustainable based on the extent and proportion to which the specific project funded qualify as contributing substantially to climate change mitigation (project specific information), in accordance with Article 10 of Regulation (EU) 2020/852, or as enabling activity in accordance with Article 16, and meet the criteria specified in Article 3 of the same regulation. Institutions shall provide transparency on the kind of economic activities that are being funded through specialised lending. Where the same specialised lending exposure is relevant to two environmental objectives, institutions shall allocate it to the most relevant one.</p>
e	<p><b><u>Of which: transitional</u></b></p> <p>Article 10 of Regulation (EU) 2020/852.</p>
f	<p><b><u>Of which: enabling</u></b></p> <p>Article 16 of Regulation (EU) 2020/852.</p>
g	<p><b><u>Of which: towards taxonomy relevant sectors</u></b></p> <p>Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p> <p>Institutions shall disclose the gross carrying amount of eligible exposures towards sectors (4 level NACE codes) relevant for the corresponding environmental objective according to the Taxonomy, as specified in the technical annex to the Commission Delegated Regulation on technical screening criteria for determining the conditions under which an economic activity qualifies as environmentally sustainable.</p> <p>Institutions shall disclose exposures towards relevant sectors under the objective of climate change adaptation in accordance with point (b) of Article 9 and Article 11 of Regulation (EU) 2020/852.</p>
h	<p><b><u>Of which: environmentally sustainable</u></b></p> <p>Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p> <p>Institutions shall disclose the gross carrying amount of eligible exposures that are environmentally sustainable, as specified in the technical annex to the Commission Delegated Regulation on technical screening criteria for determining the conditions under which an economic activity qualifies as environmentally sustainable.</p>

	<p>Institutions shall disclose environmentally sustainable exposures under the objective of climate change adaptation in accordance with point (b) of Article 9 and Article 11 of Regulation (EU) 2020/852.</p> <p>When the use of proceeds is known, in the case of specialised lending, institutions shall disclose the extent to which the exposure is environmentally sustainable based on the extent and proportion to which the project funded qualify as contributing substantially to climate change mitigation, in accordance with Article 10, or as enabling activity in accordance with Article 16, and meet the criteria specified in Article 3 of that Regulation.</p> <p>Where the use of proceeds is unknown institutions shall disclose the extent to which the exposure is environmentally sustainable by using the information from the counterparty, in accordance with Article 8 of Regulation (EU) 2020/852, on the proportion of the turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 of that Regulation.</p> <p>Where the counterparty is not subject to Article 8 of Regulation (EU) 2020/852, for the calculation of the percentage of taxonomy-aligned exposures, credit institutions shall, on a best effort basis, collect information from their counterparties bilaterally through the regular credit review and monitoring process. Only if the counterparty is not able to provide the relevant data, credit institutions shall make use of proxies at sectoral level, Member state level or aggregate level for EU sectors. In this case, credit institutions shall estimate and disclose the information.</p> <p>Each exposure shall only be considered once and shall be allocated to only one environmental objective. Where the exposures are relevant for more than one environmental objective, exposures shall be allocated to the most relevant objective.</p>
i	<p><b><u>Of which: specialised lending</u></b></p> <p>Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p> <p>Specialised lending as defined in paragraph 89 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p> <p>Institutions shall disclose special lending exposures, which are environmentally sustainable, under the objective of climate change adaptation in accordance with point (b) of Article 9 and Article 11 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the extent to which the exposure is environmentally sustainable by using the information from the counterparty.</p> <p>When the use of proceeds is known, in the case of specialised lending, institutions shall disclose the extent to which the exposure is environmentally sustainable based on the extent and proportion to which the specific project funded qualify as contributing substantially to climate change adaptation (project specific information), in accordance with Article 11, or as enabling activity in accordance with Article 16, and meet the criteria specified in Article 3 of that Regulation. Institutions shall provide transparency on the kind of economic activities that are being funded through specialised lending. Where the same</p>



	specialised lending exposure can be relevant for two environmental objective, the exposure shall be allocated to the most relevant one.
j	<b><u>Of which: adaptation</u></b> Article 11 of Regulation (EU) 2020/852.
k	<b><u>Of which: enabling</u></b> Article 16 of Regulation (EU) 2020/852.
l	<b><u>Of which: towards taxonomy relevant sectors</u></b> Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014. They shall be the sum of column (b) and column (g) of this template.
m	<b><u>Of which: environmentally sustainable</u></b> Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014. They shall be the sum of column (c) and column (h) of this template.
n	<b><u>Of which: specialised lending</u></b> Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014. Specialised lending as defined in paragraph 89 of Part 2 of Annex V to Implementing Regulation (EU) No 680/2014. They shall be the sum of column (d) and column (i) of this template.
o	<b><u>Of which: transitional/adaptation</u></b> Article 10 and Article 11 of Regulation (EU) 2020/852. They shall be the sum of column (e) and column (j) of this template.
p	<b><u>Of which: enabling</u></b> Article 16 of Regulation (EU) 2020/852. They shall be the sum of column (f) and column (k) of this template.

Rows	Instructions
1	<b><u>GAR – Eligible assets</u></b> Gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014. Institutions shall disclose the gross carrying amount of eligible exposures.

	<p>Eligible exposures shall be those that are related to the counterparties and asset classes covered in the scope of the disclosure requirements in accordance with Article 8 of Regulation (EU) 2020/852.</p> <p>Sovereign bonds, as defined in point (b) of paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014 with the exception to exposures to local governments for house funding, exposures to central banks, exposures held for trading, and exposures outside the EU are not eligible for the purposes of disclosure requirements.</p> <p>Row 1 shall be the sum of row 2 and row 37 of this template.</p>
2	<p><b><u>Loans and advances, debt securities and equity instruments not HfT eligible for GAR</u></b></p> <p>Loans and advances, debt securities and equity instruments in the banking book, not held for trading as defined in Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
3	<p><b><u>Financial corporations</u></b></p> <p>Exposures defined in point (c) and point (d) of paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
4	<p><b><u>Credit institutions</u></b></p> <p>Exposures defined in point (c) of paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
5, 10, 14, 18, 23,27	<p><b><u>Loans and advances</u></b></p> <p>Loans and advances defined in paragraph 32 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
6, 11, 15, 19, 24, 30	<p><b><u>Debt securities</u></b></p> <p>Debt securities as defined in paragraph 31 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
7, 12, 16, 20, 25, 31	<p><b><u>Equity instruments</u></b></p> <p>Equity instruments as defined in Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
8	<p><b><u>Other financial corporations</u></b></p> <p>Exposures to other financial corporations as defined in point (d) of paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
9	<p><b><u>Of which: investment firms</u></b></p> <p>Exposures to investment firms as defined in Article 4(2) of CRR.</p>
13	<p><b><u>Of which: management companies</u></b></p> <p>Exposures to management companies as defined in Article 2(1), point (b) of Directive 2009/65/EC on the coordination of laws, regulations and</p>

	administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) <sup>26</sup>
17	<b><u>Of which: insurance undertakings</u></b> Exposures to insurance undertakings as defined in Article 4(5) of CRR
21	<b><u>Non-financial corporations</u></b> Exposures to non-financial corporation as defined in point (e) of paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.
22	<b><u>Non-financial corporations subject to NFRD disclosure obligations</u></b> Exposures to non-financial corporation as defined in point (e) of paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014, which are subject to disclosure obligations under Directive 2014/95/EU ('NFRD').
26	<b><u>SMEs and non-financial corporations (other than SMEs) not subject to NFRD disclosure obligations</u></b> Exposures to micro, small and medium-sized enterprises as defined in Commission Recommendation C(2003)1422 <sup>27</sup> , and other non-financial corporations as defined in point (e) of paragraph 42 of Part 1 of Annex V to Implementing Regulation (EU) No 680/2014 not subject to NFRD disclosure obligations.
28	<b><u>Of which: commercial real estate loans</u></b> Exposures referred to in point (a) of paragraph 173 and paragraph 239ix of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.
29, 34	<b><u>Of which: building renovation loans</u></b> Loans that are granted to SMEs and other non-financial corporations not subject to NFRD disclosure obligations with the purpose of renovating their house.
32	<b><u>Households</u></b> Loans and advances as defined in point (f) of paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.
33	<b><u>Of which: loans collateralised by residential immovable property</u></b> Loans collateralised by residential immovable property as defined in point (a) of paragraph 173 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.
35	<b><u>of which motor vehicle loans</u></b>

<sup>26</sup> Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32–96)

<sup>27</sup> Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (notified under document number C(2003) 1422) (2003/361/EC) (OJ L 124, 20.5.2003, p. 36).

	Motor vehicle loans as defined in point (b)(ii) of paragraph 173 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.
36	<b><u>Local governments – Housing loans</u></b> Loans granted by institutions to local government with the aim of funding the acquisition of their place of residence of households in the municipality.
37	<b><u>Collateral obtained by taking possession: residential and commercial immovable properties</u></b> Collateral obtained by taking possession as defined in paragraph 341 of Part 2 of Annex V to Commission Implementing Regulation (EU) No 680/2014.
38	<b><u>Other assets not eligible for GAR calculation</u></b> Gross carrying amount of other assets not eligible for GAR calculation as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.  Institutions shall disclose the gross carrying amount of exposures that are not eligible for the calculation of GAR and that are not part of the exposures include in row 1 of this template.
39	<b><u>Total assets</u></b> This row shall be the sum of row 1 and row 38 of this template.

### Timeline for the disclosure of information in templates 8 and 9

<p><b>Text on transitional arrangements (for consultation purposes)</b></p> <p>Given the challenges in terms of availability of data for institutions to make the disclosures proposed in these templates, particularly for the stock of loans, the EBA is proposing a phased-in approach, with a transitional period, for those disclosures for which they need data from their counterparties. In particular:</p> <ul style="list-style-type: none"> <li>• There is a phase-in period until June 2024 for the disclosure of information on the green asset ratio on stock of assets for those exposures towards retail, and corporates not subject to NFRD disclosure obligation.</li> </ul> <p>During the transitional period, credit institutions shall disclose proxy information on estimates and ranges based on:</p> <ul style="list-style-type: none"> <li>• Private information consistent communicated bilaterally to the institution;</li> <li>• Using as a fall-back solution relevant proxies and coefficients on taxonomy alignment by sector, estimated by an independent Commission body, like the JRC/UZH alignment coefficients developed for the objective of climate change mitigation at sector aggregate level<sup>28</sup>.</li> </ul>
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<sup>28</sup> [hJRC-UZH Taxonomy-alignment tool](#)

Alessi, L., Battiston, S., Melo, A. S., & Roncoroni, A. (2019). The EU Sustainability Taxonomy: a financial impact assessment. JRC Technical Reports. <https://doi.org/10.2760/347810>

## Template 9 – GAR KPI

25. This template covers the calculation of the green asset ratio (GAR) and related information. It provides the extent to which credit institutions’ activities qualify as environmentally sustainable in accordance with Articles 3 and 9 of Regulation (EU) 2020/852 and it is relevant to understand the actions put in place by the institutions to mitigate climate change transition and physical risks.
26. The template presents information on the percentage of institutions’ activities (i.e. gross carrying amount of loans and advances, debt securities and equity instruments on their banking book) that are funding environmentally sustainable activities.

Columns	Instructions
a	<p><b><u>Proportion of assets funding taxonomy relevant sectors</u></b></p> <p>The proportion of the stock of assets funding activities covered by the EU Taxonomy in total stock of eligible assets. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding taxonomy relevant sectors for the objective of climate change mitigation as defined in the instructions corresponding to column ‘b’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
b	<p><b><u>Of which: environmentally sustainable</u></b></p> <p>The proportion of the stock of assets funding environmentally sustainable activities in the stock of eligible assets. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding environmentally sustainable activities for the objective of climate change mitigation as defined in the instructions corresponding to column ‘c’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible exposures as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
c	<p><b><u>Of which: specialised lending</u></b></p> <p>The proportion of the stock of assets categorised as specialised lending funding environmentally sustainable activities for the objective of climate change mitigation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as defined in the instructions corresponding to column ‘d’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>

d	<p><b><u>Of which: transitional</u></b></p> <p>Article 10 of Regulation (EU) 2020/852.</p> <p>The proportion of the stock of assets related to transitional activities for the objective of climate change mitigation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as defined in the instructions corresponding to column ‘e’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
e	<p><b><u>Of which: enabling</u></b></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>The proportion of the stock of assets related to enabling activities for the objective of climate change mitigation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as defined in the instructions corresponding to column ‘f’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
f	<p><b><u>Proportion of assets funding taxonomy relevant sectors</u></b></p> <p>The proportion of the stock of assets funding activities covered by the EU Taxonomy in total stock of eligible assets. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding taxonomy relevant sectors for the objective of climate change adaptation as defined in the instructions corresponding to column ‘e’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
g	<p><b><u>Of which: environmentally sustainable</u></b></p> <p>The proportion of the stock of assets funding environmentally sustainable activities in the stock of eligible assets. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding environmentally sustainable activities for the objective of climate change adaptation as defined in the instructions corresponding to column ‘f’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible exposures as defined in the instructions corresponding to column ‘a’ of Template 8.</p>

h	<p><b><u>Of which: specialised lending</u></b></p> <p>The proportion of the stock of assets categorised as specialised lending funding environmentally sustainable activities for the objective of climate change adaptation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as defined in the instructions corresponding to column ‘g’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
i	<p><b><u>Of which: adaptation</u></b></p> <p>Article 11 of Regulation (EU) 2020/852.</p> <p>The proportion of the stock of assets related to adaptation activities for the objective of climate change adaptation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as defined in the instructions corresponding to column ‘j’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
j	<p><b><u>Of which: enabling</u></b></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>The proportion of the stock of assets related to enabling activities for the objective of climate change adaptation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as defined in the instructions corresponding to column ‘k’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
k	<p><b><u>Proportion of assets funding taxonomy relevant sectors</u></b></p> <p>The proportion of the stock of assets funding activities covered by the EU Taxonomy for the objectives of climate change mitigation and adaptation, compared to the total stock of eligible assets. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding taxonomy relevant sectors as defined in the instructions corresponding to column ‘h’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
l	<p><b><u>Of which: environmentally sustainable</u></b></p>

	<p>The proportion of the stock of assets funding environmentally sustainable activities for the objectives of climate change mitigation and adaptation in the stock of eligible assets. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding environmentally sustainable activities as defined in the instructions corresponding to column ‘’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible exposures as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
m	<p><b><u>Of which: specialised lending</u></b></p> <p>The proportion of the stock of assets categorised as specialised lending funding environmentally sustainable activities for the objectives of climate change mitigation and adaptation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as defined in the instructions corresponding to column ‘j’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
n	<p><b><u>Of which: transitional/adaptation</u></b></p> <p>Article 10 and Article 11 of Regulation (EU) 2020/852.</p> <p>The percentage shall correspond to column (d) and column (i).</p>
o	<p><b><u>Of which: enabling</u></b></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>The percentage shall correspond to column (e) and column (j).</p>
p	<p><b><u>Proportion of total assets covered</u></b></p> <p>The proportion of total assets covered by the GAR. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of the stock of eligible assets as defined in the instructions corresponding to row 1 of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of total assets as defined in instructions corresponding to row 39 of Template 8.</p>
q	<p><b><u>Proportion of new assets funding taxonomy relevant sectors</u></b></p> <p>The proportion of new assets (i.e. assets originated within the current disclosure period) funding activities covered by the EU Taxonomy for the objective of climate change mitigation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p>



	<p>The numerator of the KPI shall be the gross carrying amount of eligible new assets funding taxonomy relevant sectors as defined in the instructions corresponding to column ‘b’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
r	<p><b><u>Of which: environmentally sustainable</u></b></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities for the objective of climate change mitigation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘c’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
s	<p><b><u>Of which: specialised lending</u></b></p> <p>The proportion of new assets (i.e. assets originated within the current disclosure period) categorised as specialised lending funding environmentally sustainable activities for the objective of climate change mitigation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘d’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘c’ of Template 8.</p>
t	<p><b><u>Of which: transitional</u></b></p> <p>Article 10 of Regulation (EU) 2020/852.</p> <p>The proportion of the new assets (i.e. assets originated within the current disclosure period) related to transitional activities for the objective of climate change mitigation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘e’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
u	<p><b><u>Of which: enabling</u></b></p>

	<p>Article 16 of Regulation (EU) 2020/852.</p> <p>The proportion of the new assets (i.e. assets originated within the current disclosure period) related to enabling activities for the objective of climate change mitigation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘f’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
v	<p><b><u>Proportion of new assets funding taxonomy relevant sectors</u></b></p> <p>The proportion of new assets (i.e. assets originated within the current disclosure period) funding activities covered by the EU Taxonomy for the objective of climate change adaptation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets funding taxonomy relevant sectors as defined in the instructions corresponding to column ‘e’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
w	<p><b><u>Of which: environmentally sustainable</u></b></p> <p>The proportion of new assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities for the objective of climate change adaptation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘f’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
x	<p><b><u>Of which: specialised lending</u></b></p> <p>The proportion of new assets (i.e. assets originated within the current disclosure period) categorised as specialised lending funding environmentally sustainable activities for the objective of climate change mitigation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p>

	<p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘g’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘f’ of Template 8.</p>
y	<p><b><u>Of which: adaptation</u></b></p> <p>Article 11 of Regulation (EU) 2020/852.</p> <p>The proportion of the new assets (i.e. assets originated within the current disclosure period) related to transitional activities for the objective of climate change adaptation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘j’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
z	<p><b><u>Of which: enabling</u></b></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>The proportion of the new assets (i.e. assets originated within the current disclosure period) related to enabling activities for the objective of climate change adaptation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘k’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
aa	<p><b><u>Proportion of assets funding taxonomy relevant sectors</u></b></p> <p>The proportion of new assets (i.e. assets originated within the current disclosure period) funding activities covered by the EU Taxonomy for the objectives of climate change mitigation and adaptation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets funding taxonomy relevant sectors as defined in the instructions corresponding to column ‘h’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>

ab	<p><b><u>Of which: environmentally sustainable</u></b></p> <p>The proportion of new assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities for the objective of climate change mitigation and adaptation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘a’ of Template 8.</p>
ac	<p><b><u>Of which: specialised lending</u></b></p> <p>The proportion of new assets (i.e. assets originated within the current disclosure period) categorised as specialised lending funding environmentally sustainable activities for the objectives of climate change mitigation and adaptation in total new assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as defined in the instructions corresponding to column ‘j’ of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of eligible assets as defined in the instructions corresponding to column ‘’ of Template 8.</p>
ad	<p><b><u>Of which: transitional/adaptation</u></b></p> <p>Article 10 and Article 11 of Regulation (EU) 2020/852.</p> <p>The percentage shall correspond to column (t) and column (y).</p>
ae	<p><b><u>Of which: enabling</u></b></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>The percentage shall correspond to column (u) and column (z).</p>
af	<p><b><u>Proportion of new total assets covered</u></b></p> <p>The proportion of new total assets by the GAR. New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the difference in the gross carrying amount of new eligible assets, as defined in the instructions corresponding to row 1 of Template 8, between current disclosure period (t) and previous disclosure period (t-1).</p> <p>The denominator of the KPI shall be the difference in the gross carrying amount of new total assets, as defined in the instructions corresponding to row 39 of</p>

	Template 8, between current disclosure period (t) and previous disclosure period (t-1).
Rows	Instructions
1	<b><u>Total GAR</u></b> The amount of all asset classes included from row 2 to row 19 of this template.
2	<b><u>Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 2 of Template 8.
3	<b><u>Financial corporations</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 3 of Template 8.
4	<b><u>Credit institutions</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 4 of Template 8.
5	<b><u>Other financial corporations</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 8 of Template 8.
6	<b><u>Of which: investment firms</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 9 of Template 8.
7	<b><u>Of which: management companies</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 13 of Template 8.
8	<b><u>Of which: insurance undertakings</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 17 of Template 8.
9	<b><u>Non-financial corporations</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 21 of Template 8.
10	<b><u>NFCs subject to NFRD disclosure obligations</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 22 of Template 8.
11	<b><u>SMEs and NFC (other than SMEs) not subject to NFRD disclosure obligations</u></b>

	The gross carrying amount exposures in accordance with the instructions corresponding to row 26 of Template 8.
12	<b><u>Of which commercial real estate loans</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 28 of Template 8.
13	<b><u>Households</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 32 of Template 8.
14	<b><u>Of which loans collateralised by residential immovable property</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 33 of Template 8.
15	<b><u>Of which building renovation loans</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 34 of Template 8.
16	<b><u>Of which motor vehicle loans</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 35 of Template 8.
17	<b><u>Local governments – Housing loans</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 36 of Template 8.
18	<b><u>Collateral obtained by taking possession: residential and commercial immovable properties</u></b> The gross carrying amount exposures in accordance with the instructions corresponding to row 37 of Template 8.

### Template 10 – Other climate change mitigating actions

1. This template covers other climate change mitigating actions and includes other activities of the institutions that are not included in templates 8 and 9, including EU green bonds, and green sovereign bonds.
2. Institutions shall include in the narrative accompanying this template detailed explanations on the nature and type of mitigating actions reflected in this template, including information on the type of risks that they aim to mitigate, on the related counterparties and on the timing of the actions. They shall also explain why these exposures are not considered under the green asset ratio and any other relevant information that may help to understand the risk management framework of the institution.

Columns	Instructions
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a	<p><b><u>Type of counterparty</u></b></p> <p>The type of counterparty in accordance with paragraph 42 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
b	<p><b><u>Type of financial instrument</u></b></p> <p>The type of financial instrument in accordance with Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
c	<p><b><u>Gross carrying amount (million EUR)</u></b></p> <p>The gross carrying amount as defined in paragraph 34 of Part 1 of Annex V to Commission Implementing Regulation (EU) No 680/2014.</p>
d	<p><b><u>Of which environmentally sustainable</u></b></p> <p>The gross carrying amount in accordance with the instructions corresponding to column c of Template 8.</p>
e	<p><b><u>Type of risk mitigated</u></b></p> <p>Indication of the type of risk that is being mitigated with that action: climate change transition risk or climate change physical risk</p>
f	<p><b><u>Qualitative information on the nature of the mitigating actions</u></b></p> <p>Open text on the nature of the mitigating actions by contributing to climate change mitigation in accordance with Article 10 of Regulation (EU) 2020/852 and to climate change adaptation in accordance with Article 11 of that Regulation.</p>
Rows	
1...	List of actions put in place by institutions to mitigate climate change related risks (transition and/or physical)